



Property Committee

REGULAR MEETING AGENDA

June 21, 2006
9:30 a.m.

South Florida Regional Transportation Authority

Board Room

800 NW 33rd Street, Suite 100
Pompano Beach, Florida 33064

www.sfrta.fl.gov

FOR FURTHER INFORMATION CALL WILLIAM CROSS AT (954) 788-7916

Members

Commissioner James A. Scott, Chair
Bill T. Smith, Vice Chair
George Morgan, Jr.

Directions to SFRTA: I-95 to Copans Road. Go west on Copans to North Andrews Avenue Ext. and turn right. Go straight to Center Port Circle, which is NW 33rd Street, and turn right. SFRTA's offices are in the building to the right. The SFRTA offices are also accessible by taking the train to the Pompano Beach Station. The SFRTA building is South of the station. Parking is available across the street from SFRTA's offices, at the Pompano Beach Station.

PROPERTY COMMITTEE MEETING
OF JUNE 21, 2006

The meeting will convene at 9:30 a.m., and will be held in the Board Room of the South Florida Regional Transportation Authority, Administrative Offices, 800 NW 33rd Street, Suite 100, Pompano Beach, FL 33064.

CALL TO ORDER

AGENDA APPROVAL – Additions, Deletions, Revisions

MATTERS BY THE PUBLIC – Persons wishing to address the Committee are requested to complete an “Appearance Card” and will be limited to three (3) minutes. Please see the Minutes Clerk prior to the meeting.

CONSENT AGENDA
Those matters included under the Consent Agenda are self-explanatory and are not expected to require review or discussion. Items will be enacted by one motion in the form listed below. If discussion is desired by any Committee Member, however, that item may be removed from the Consent Agenda and considered separately.

C1 – [MOTION TO APPROVE:](#) Minutes of Property Committee Meeting of May 25, 2006

REGULAR AGENDA
Those matters included under the Regular Agenda differ from the Consent Agenda in that items will be voted on individually. In addition, presentations will be made on each motion, if so desired.

R1 – [MOTION TO RECOMMEND:](#) Schedule I to Development & Lease Agreement between the South Florida Regional Transportation Authority and Boca Tri-Rail Center, LLC for joint use and development of the Phase II site (approximately 2.5 acres) adjacent to the Boca Raton Tri-Rail Station, and authorize the Executive Director to sign the final Development & Lease Agreement in substantially the format presented.

INFORMATION / PRESENTATION ITEMS
Action not required, provided for information purposes only.

OTHER BUSINESS

SFRTA EXECUTIVE DIRECTOR REPORTS/COMMENTS

PROPERTY COMMITTEE MEMBER COMMENTS

ADJOURNMENT

In accordance with the Americans with Disabilities Act and Section 286.26, [Florida Statutes](#), persons with disabilities needing special accommodation to participate in this proceeding, must at least 48 hours prior to the meeting, provide a written request directed to the Planning and Capital Development Department at 800 NW 33rd Street, Suite 100,

Pompano Beach, Florida, or telephone (954) 942-RAIL (7245) for assistance; if hearing impaired, telephone (800) 273-7545 (TTY) for assistance.

Any person who decides to appeal any decision made by the South Florida Regional Transportation Authority Property Committee with respect to any matter considered at this meeting or hearing, will need a record of the proceedings, and that, for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Persons wishing to address the Committee are requested to complete an "Appearance Card" and will be limited to three (3) minutes. Please see the Minutes Clerk prior to the meeting.

MINUTES
PROPERTY COMMITTEE MEETING
OF MAY 25, 2006

The Property Committee meeting was held at 3:00 p.m. on Thursday, May 25, 2006 in the Board Room of the South Florida Regional Transportation Authority (SFRTA), Administrative Offices, located at 800 NW 33rd Street, Suite 100, Pompano Beach, FL 33064.

COMMITTEE MEMBERS PRESENT:

Commissioner James Scott, SFRTA Board Member and Property Committee Chair
Mr. Bill Smith, SFRTA Board Member and Property Committee Vice-Chair
Mr. George Morgan, Jr., SFRTA Board Member

ALSO PRESENT:

Mr. Joseph Giulietti, SFRTA Executive Director
Mr. Jack Stephens, SFRTA Deputy Executive Director
Mr. Elliot Auerhahn, Broward County
Mr. Chris Bross, SFRTA
Ms. Loraine Cargill, SFRTA
Mr. William Cross, SFRTA
Ms. Kim DeLaney, Treasure Coast Regional Planning Council
Ms. Lynn Everett-Lee, South Florida Regional Planning Council
Mr. Ford Gibson, San Remo Developments, Inc.
Mr. Reeder Glass, Holland & Knight (Via Telephone Conference)
Mr. Dan Glickman
Mr. Mike Good, City of Hallandale Beach
Ms. Diane Hernandez del Calvo, SFRTA
Mr. George Kovac, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
Ms. Renee Mathews, SFRTA
Mr. Dan Mazza, SFRTA
Mr. Michael Masanoff, TOD Advisors
Ms. Teresa Moore, Greenberg Traurig
Ms. Flavia Silva, SFRTA
Mr. Ed Stacker, Akerman Senterfitt

CALL TO ORDER

The Chair called the meeting to order at 3:05 p.m.

AGENDA APPROVAL – Additions, Deletions, Revisions

Mr. Smith moved for approval of the Agenda. The motion was seconded by Mr. Morgan.

The Chair called for further discussion and/or opposition to the motion. Upon hearing none, the Chair declared the Agenda approved unanimously.

MATTERS BY THE PUBLIC – Persons wishing to address the Committee are requested to complete an “Appearance Card” and will be limited to three (3) minutes. Please see the Minutes Clerk prior to the meeting.

There were no Matters by the Public at this meeting.

CONSENT AGENDA

Those matters included under the Consent Agenda are self-explanatory and are not expected to require review or discussion. Items will be enacted by one motion in the form listed below. If discussion is desired by any Committee Member, however, that item may be removed from the Consent Agenda and considered separately.

C1 – MOTION TO APPROVE: Minutes of Property Committee Meeting of April 28, 2006

Mr. Morgan moved for approval of the Consent Agenda. The motion was seconded by Mr. Smith.

The Chair called for further discussion and/or opposition to the motion. Upon hearing none, the Chair declared the Agenda approved unanimously.

REGULAR AGENDA

Those matters included under the Regular Agenda differ from the Consent Agenda in that items will be voted on individually. In addition, presentations will be made on each motion, if so desired.
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R1 – MOTION TO RECOMMEND: Boca Raton Phase II Joint Development Project, Development & Lease Agreement

Mr. Glass, Holland & Knight, updated the Property Committee on the status of the Boca Raton Phase II Joint Development & Lease Agreement. Mr. Glass stated that the most recent appraisal of the Phase II Joint Development Project was presented to the Property Committee at the April 28, 2006 Property Committee meeting. The appraiser estimated that the market value of the site was \$5,300,000 based on the 50,000 square feet of office space and 20,000 square feet of transit-related space. Mr. Glass continued stating that the initial base rent return to the SFRTA of 6.4% was calculated based on the previous appraisal amount of \$3,150,000.

Mr. Glass stated that based on the new appraisal amount, the Property Committee directed staff to re-negotiate the economic terms of the lease with San Remo Developments, Inc. (San Remo). Mr. Glass stated that staff requested San Remo to provide comments regarding any issues with the appraisal and, also requested the appraiser to re-evaluate the report based on the delay in building the second 10,000 square feet of retail. Mr. Glass stated that after careful evaluation the appraiser adjusted the appraised value to reflect a \$1 million decrease in the fair market value of the site based on 50,000 square feet of office and 10,000 square feet of retail.

Mr. Glass mentioned that in light of the adjusted appraised value and after consulting with staff and Mr. Morgan, a proposal was forwarded to San Remo. Mr. Glass stated that in the interim San Remo forwarded a counter proposal to the SFRTA; however San Remo's proposal has not been fully evaluated by staff and Mr. Morgan.

Mr. Gibson, San Remo, addressed the Property Committee regarding issues related to the Lease Agreement in light of the new appraisal amount and base rent amount.

Mr. Morgan moved to defer the approval of the Development and Lease Agreement between SFRTA and Boca Tri-Rail Center, LLC to the next meeting of the Property Committee to allow staff to finalize negotiations. The motion was seconded by Mr. Smith.

The Chair called for further discussion and/or opposition to the motion. Upon hearing none, the Chair declared the motion approved. The Chair moved the discussions to the next item on the Agenda.

R2 – MOTION TO RECOMMEND: 2006 Property Committee Meeting Schedule

There was consensus amongst the members to defer item R2 to a future meeting of the Property Committee.

The Chair moved the discussions to the next item on the Agenda.

INFORMATION / PRESENTATION ITEMS
Action not required, provided for information purposes only.

I1 – INFORMATION: Unsolicited Proposal for New Tri-Rail Station at Hallandale Beach

Mr. Cross, SFRTA Planning and Capital Development Department Manager, stated that at the March 24, 2006 meeting of the Property Committee, the City of Hallandale Beach (the "City") requested that the South Florida Regional Transportation Authority (SFRTA) evaluate the feasibility of constructing a new station along the existing Tri-Rail Corridor in the vicinity of Hallandale Beach Blvd. in central Broward County.

Mr. Staker, representing the Village of Gulfstream Park (the "Village"), stated that the Village committed a \$3 million dollar surety bond to the SFRTA in lieu of payment of the Transit-Oriented Concurrency fees to Broward County per the Development Order.

Mr. Cross stated that the \$3 million dollar amount would not cover the cost of a new station, but could be used to leverage other funding sources such as State, TRIPs and transportation regional improvement program funds.

Mr. Good, City of Hallandale Beach Manager, stated that the City is taking a regional approach on this project and that the City has invested \$250,000 to look at traffic and transit solutions throughout the community and the region in general and, added that the City received endorsements from the City of West Park, the City of Pembroke Park and the City of Dania Beach for this project. Mr.

Good requested the Property Committee to recommend establishing a working relationship between the City and SFRTA to explore the possibility of a new Tri-Rail station within the City.

Mr. Auerhahn, Broward County, stated that he is currently working on an Agreement involving the Village, the City, Broward County and SFRTA and, once the agreement is finalized it will be brought to the SFRTA Board of Directors for approval. Mr. Auerhahn added that under the agreement, the SFRTA would have two years to study the feasibility of building a new station and, the \$3.0 million dollar surety bond would allow SFRTA to build the station.

There was discussion amongst the members and the Property Committee members directed staff to work with the City to explore options of building a new station within the City and to identify funding strategies to support the project.

The Chair stated that the City is exempt from the initial fee for Unsolicited Proposals according to SFRTA Policy for Unsolicited Proposals approved by the SFRTA Board of Directors at their May 25, 2006 meeting.

Mr. Glikman, Deerfield Beach resident, stated that one important criteria regarding transit improvements is the east-west connectivity.

The Chair moved the discussions to the next item on the Agenda.

I2 – INFORMATION: Unsolicited Proposal for New Tri-Rail Station at Pompano Park

Mr. Cross stated that at the January 5, 2006 Property Committee, TOD Advisors requested the SFRTA to evaluate the feasibility of constructing a new station along the existing Tri-Rail corridor in the vicinity of the Pompano Beach Race Track approximately 1.6 miles north of the Cypress Creek Tri-Rail Station.

There was discussion amongst the members and the Property Committee directed staff to request a comprehensive proposal from TOD Advisors, according to the SFRTA Policy for Unsolicited Proposals, and provide an update at a future meeting of the Property Committee.

The Chair moved the discussions to the next item on the Agenda.

I3 – INFORMATION: Update on Mangonia Park Station Lease and Easement Agreement

Ms. Cargill, SFRTA Transportation Planning Manager, reported to the Property Committee staff's efforts to renew or extend the Lease and Easement Agreement with Don King Arena, Inc. (DK). Ms. Cargill stated that staff met with Mr. Lomax, DK's legal counsel, in March 2006 and, continued stating that in April 2006 Mr. Lomax informed the SFRTA, via letter, to contact TOD Advisors regarding the Mangonia Park site. Ms. Cargill informed the Property Committee that TOD Advisors submitted a proposal to the Palm Beach County Commission (County) and the State Department of Health (State/DOH) requesting both agencies to relocate their proposed facilities to the Mangonia Park site. Ms. Cargill added that the County and State/DOH are currently evaluating the proposal.

Mr. Morgan stated that staff needs to make sure that both the County and the State/DOH are aware of SFRTA's needs as part of their development plans.

Mr. Giulietti stated that staff has already reached out to the County regarding SFRTA's parking needs at the site.

The Chair moved the discussions to the next item on the Agenda.

I4 – PRESENTATION: Transit Oriented Development (TOD) Overview

Ms. DeLaney, Growth Management Coordinator for the Treasure Coast Regional Planning Council (TCRPC), presented an overview of Transit Oriented Development (TOD) which defined TOD and its benefits.

The Chair moved the discussions to the next item on the Agenda.

OTHER BUSINESS

There was no Other Business discussed at this meeting.

SFRTA EXECUTIVE DIRECTOR REPORTS/COMMENTS

There were no Reports/Comments from the SFRTA Executive Director.

PROPERTY COMMITTEE MEMBER COMMENTS

There were no Comments from the Property Committee Members.

ADJOURNMENT

The meeting was adjourned at 5:20 p.m.

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
PROPERTY COMMITTEE MEETING
COMMITTEE MEETING: JUNE 21, 2006

AGENDA ITEM REPORT

☐ Consent ☒ Regular ☐ Public Hearing

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

REQUESTED ACTION:

MOTION TO RECOMMEND: Schedule I to Development & Lease Agreement between the South Florida Regional Transportation Authority and Boca Tri-Rail Center, LLC for joint use and development of the Phase II site (approximately 2.5 acres) adjacent to the Boca Raton Tri-Rail Station, and authorize the Executive Director to sign the final Development & Lease Agreement in substantially the format presented.

SUMMARY EXPLANATION AND BACKGROUND:

On August 15, 2003, the South Florida Regional Transportation Authority (SFRTA) purchased approximately 6.6 acres in the City of Boca Raton for the development of the Boca Raton Intermodal Facility (Intermodal Facility). The property is part of the T-Rex Development and is located west of I-95, immediately south of Yamato Road and adjacent to the South Florida Rail Corridor.

The Intermodal Facility was planned to be developed in two phases. Phase I includes the construction of the Boca Raton Tri-Rail Station and involves platforms, surface parking and other passenger amenities to support the station. This phase is currently completed. The Phase II portion includes a joint development provision of 50,000 square feet of office space and up to 20,000 square feet of retail space with additional surface parking.

At the August 5, 2005 Special Meeting of the Property Committee, the Committee approved San Remo Developments (a.k.a Boca Tri-Rail Center, LLC) as the preferred developer, over the Butters & Siegel Development Group to joint develop the Boca Raton Intermodal Facility Phase II site.

(Continued on Page 2)

Department: Planning and Capital Development

Department Director: Jack Stephens

Project Manager: Loraine Kelly-Cargill

FISCAL IMPACT: Funding from this project will increase SFRTA's Operating Budget

EXHIBITS ATTACHED:

Exhibit 1:	Schedule I to Development & Lease Agreement (To be distributed under separate cover)
Exhibit 2:	Draft Development & Lease Agreement (To be distributed under separate cover)

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

SUMMARY EXPLANATION AND BACKGROUND (Continued):

The Proposal was based on the following major terms:

- Construction of 50,000 square feet of office and up to 20,000 square feet of retail;
- Payment of \$75,000 per annum during construction;
- Base rent of \$200,000 per annum, increasing 10% every five years;
- Participation rent of 1% of gross revenue, plus lessor to share in net proceeds of 10% from sale or refinance of the property or from a sale of the ownership interest in lessee.

On January 27, 2006, SFRTA received a letter from Boca Tri-Rail Center presenting a revised proposal to the terms of the original lease resulting in a reduced base rent of approximately \$60,000 per year. The revised proposal cited the increase in construction costs over the last few months associated with the recent hurricane season as the main reason for the adjustment. Additionally, Boca Tri-Rail Center confirmed they had entered into an Agreement with Ned Siegel and Malcolm Butters to co-develop the Phase II Project enabling them to take advantage of synergies with the adjacent development and leverage existing relationships with governmental groups.

On February 17, 2006, the Property Committee moved to: 1) Suspend negotiations up to 90 days with Boca Tri-Rail Center; and 2) Direct staff to update the appraisal of the Boca Raton Phase II site and await further direction from the Property Committee.

On March 23, 2006, SFRTA received a letter from Boca Tri-Rail Center attorneys stating that Boca Tri-Rail Center has agreed to construct 50,000 square feet of office and 10,000 square feet of retail in accordance with the August 4, 2005 proposal previously approved by the SFRTA Property Committee.

On March 24, 2006, the Property Committee moved to direct staff to engage in negotiations with Boca Tri-Rail Center and bring back a fair proposal to the Property Committee at the April 28, 2006 meeting.

On April 28, 2006, staff presented the Property Committee with information regarding a new appraisal amount for the Phase II site. This amount reflected an increase in value of the property of approximately \$2,150,000. In light of this new information, the Property Committee directed staff to try to re-negotiate the economic terms of the lease with Boca Tri-Rail Center and bring back a more equitable proposal to the Property Committee at the next meeting.

After several weeks of negotiations, both parties were unable to agree on a final proposal. At the May 26, 2006 Property Committee Meeting, Boca Tri-Rail Center requested an additional two weeks to finalize negotiations with SFRTA and agree on a fair economic structure that would provide a “win-win” situation for both parties.

(Continued on page 3)

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

SUMMARY EXPLANATION AND BACKGROUND (Continued):

On June 5, 2006, staff presented San Remo with two proposals involving: 1) stair stepping of the base rent over a five year period with a 10% adjustment every 5 years; or 2) stair stepping of base rent over a 10-year period, and allowing for an adjustment in base rent each subsequent 10-year period using an appraised value of the development. San Remo has formally accepted the second proposal.

Schedule I of the Development & Lease Agreement outlines the details of the proposal and is currently being finalized by both parties' legal counsels. Schedule I will be forwarded to the Committee prior to the Property Committee meeting on June 21st, 2006.

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

Committee Action:

Approved: Yes No

Vote: Unanimous

Amended Motion:

Commissioner James A. Scott	_____	Yes	_____	No
Bill T. Smith	_____	Yes	_____	No
George Morgan	_____	Yes	_____	No